



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-118]

### Wood Mouldings and Millwork Products from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on the affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing its countervailing duty order on wood mouldings and millwork products (millwork products) from the People's Republic of China (China).

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Irene Gorelik or Faris Montgomery, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6905 or (202) 482-1537, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

On January 4, 2021, Commerce published its *Final Determination* in the countervailing duty investigation of millwork products from China.<sup>1</sup> On February 10, 2021, the ITC notified Commerce of its final determination, pursuant to sections 705(b)(1)(A)(i) and 705(d) of the Tariff Act of 1930, as amended (the Act), that an industry in the United States is materially injured by reason of subsidized imports of millwork products from China.<sup>2</sup>

#### Scope of the Order

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<sup>1</sup> See *Wood Mouldings and Millwork Products from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 86 FR 67 (January 4, 2021) (*Final Determination*).

<sup>2</sup> See ITC Notification Letter, Investigations, Inv. Nos. 701-TA-636 and 731-TA-1470 (Final) (February 10, 2021).

The products covered by this order are millwork products from China. For a full description of the scope of this order, *see* the appendix to this notice.

### Countervailing Duty Order

On February 10, 2021, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that an industry in the United States is materially injured by reason of subsidized imports of millwork products from China.<sup>3</sup> In accordance with section 705(c)(2) of the Act, Commerce is issuing this countervailing duty order.

Therefore, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties on unliquidated entries of millwork products from China entered, or withdrawn from warehouse, for consumption on or after June 12, 2020, the date on which Commerce published its preliminary countervailing duty determination in the *Federal Register*,<sup>4</sup> and before October 10, 2020, the effective date on which Commerce instructed CBP to discontinue the suspension of liquidation, in accordance with section 703(d) of the Act. Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months. Therefore, entries of millwork products from China made on or after October 10, 2020, and prior to the date of publication of the ITC's final determination in the *Federal Register*, are not subject to the assessment of countervailing duties due to Commerce's discontinuation of the suspension of liquidation.

### Suspension of Liquidation

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<sup>3</sup> *Id.*

<sup>4</sup> *See Wood Mouldings and Millwork Products from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 85 FR 35900 (June 12, 2020) (*Preliminary Determination*).

In accordance with section 706 of the Act, Commerce will direct CBP to reinstitute the suspension of liquidation of millwork products from China, effective the date of publication of the ITC's notice of final determination in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. On or after the date of publication of the ITC's final injury determination in the *Federal Register*, CBP must require, at the same time as importers would deposit estimated normal customs duties on this merchandise, a cash deposit equal to the subsidy rates noted below. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all producers or exporters not specifically listed below.

<b>Company</b>	<b>Subsidy Rate (percent)</b>
Fujian Yinfeng Imp & Exp Trading Co., Ltd. <sup>5</sup>	20.56
Fujian Nanping Yuanqiao Wood Industry Co., Ltd.	252.29
All Others	20.56

#### Provisional Measures

Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months. In the underlying investigation, Commerce published the *Preliminary Determination* on June 12, 2020.<sup>6</sup> Therefore, entries of millwork products from China made on or after October 10, 2020, and prior to the date of publication of the ITC's final determination in the *Federal Register*, are

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<sup>5</sup> As discussed in the *Preliminary Determination*, Commerce found that Fujian Province Youxi City Mangrove Wood Machining Co., Ltd.; Fujian Province Youxi City Mangrove Wood Machining Co., Ltd.; and Xicheng Branch are cross-owned affiliates of mandatory respondent Fujian Yinfeng Imp & Exp Trading Co., Ltd. See *Preliminary Determination*, 85 FR at 35901, unchanged in the *Final Determination*.

<sup>6</sup> See *Preliminary Determination*.

not subject to the assessment of countervailing duties due to Commerce's discontinuation of the suspension of liquidation.

In accordance with section 703(d) of the Act, Commerce instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of millwork products from China entered, or withdrawn from warehouse, for consumption on or after October 10, 2020, the date on which the provisional countervailing duty measures expired, through the day preceding the date of publication of the ITC final injury determination in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC final injury determination in the *Federal Register*.

#### Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to millwork products from China pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Dated: February 10, 2021.

Christian Marsh,  
Acting Assistant Secretary  
for Enforcement and Compliance.

## **Appendix**

### **Scope of the Order**

The merchandise subject to this order consists of wood mouldings and millwork products that are made of wood (regardless of wood species), bamboo, laminated veneer lumber (LVL), or of wood and composite materials (where the composite materials make up less than 50 percent of the total merchandise), and which are continuously shaped wood or finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn). The merchandise subject to this order can be continuously shaped along any of its edges, ends, or faces.

The percentage of composite materials contained in a wood moulding or millwork product is measured by length, except when the composite material is a coating or cladding. Wood mouldings and millwork products that are coated or clad, even along their entire length, with a composite material, but that are otherwise comprised of wood, LVL, or wood and composite materials (where the non-coating composite materials make up 50 percent or less of the total merchandise) are covered by the scope.

The merchandise subject to this order consists of wood, LVL, bamboo, or a combination of wood and composite materials that is continuously shaped throughout its length (with the exception of any endwork/dados), profiled wood having a repetitive design in relief, similar milled wood architectural accessories, such as rosettes and plinth blocks, and finger-jointed or edge-glued moulding or millwork blanks (whether or not resawn). The scope includes continuously shaped wood in the forms of dowels, building components such as interior paneling and jamb parts, and door components such as rails, stiles, interior and exterior door frames or jambs (including split, flat, stop applied, single- or double-rabbeted), frame or jamb kits, and packaged door frame trim or casing sets, whether or not the door components are imported as part of a door kit or set.

The covered products may be solid wood, laminated, finger-jointed, edge-glued, face-glued, or otherwise joined in the production or remanufacturing process and are covered by the scope whether imported raw, coated (*e.g.*, gesso, polymer, or plastic), primed, painted, stained, wrapped (paper or vinyl overlay), any combination of the aforementioned surface coatings,

treated, or which incorporate rot-resistant elements (whether wood or composite). The covered products are covered by the scope whether or not any surface coating(s) or covers obscure the grain, textures, or markings of the wood, whether or not they are ready for use or require final machining (e.g., endwork/dado, hinge/strike machining, weatherstrip or application thereof, mitre) or packaging.

All wood mouldings and millwork products are included within the scope even if they are trimmed; cut-to-size; notched; punched; drilled; or have undergone other forms of minor processing.

Subject merchandise also includes wood mouldings and millwork products that have been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, coating, or any other processing that would not otherwise remove the merchandise from the scope of this order if performed in the country of manufacture of the in-scope product.

Excluded from the scope of this order are countertop/butcherblocks imported as a full countertop/butcherblock panel, exterior fencing, exterior decking and exterior siding products (including solid wood siding, non-wood siding (e.g., composite or cement), and shingles) that are not LVL or finger jointed; finished and unfinished doors; flooring; parts of stair steps (including newel posts, balusters, easing, gooseneck, risers, treads, rail fittings and stair stringers); picture frame components three feet and under in individual lengths; and lumber whether solid, finger-jointed, or edge-glued. To be excluded from the scope, finger-jointed or edge-glued lumber must have a nominal thickness of 1.5 inches or greater and a certification stamp from an American Lumber Standard Committee-certified grading agency. The exclusion for lumber whether solid, finger-jointed, or edge-glued does not apply to screen/"surfaced on 4 sides" (S4S) and/or "surface 1 side, 2 edges" (S1S2E) stock (also called boards) that are finger-jointed and/or edge-glued, or to finger-jointed and/or edge-glued moulding or millwork blanks (whether or not resawn). Accordingly, S4S and S1S2E stock/boards that are not finger-jointed or edge-glued are excluded from the scope of this order.

Excluded from the scope of this order are all products covered by the scope of the countervailing duty order on *Hardwood Plywood from the People's Republic of China*. See *Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order*, 83 FR 513 (January 4, 2018).

Excluded from the scope of this order are all products covered by the scope of the countervailing duty order on *Multilayered Wood Flooring from the People's Republic of China*. See *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011).

Excluded from the scope of this order are all products covered by the scope of the countervailing duty order on *Wooden Cabinets and Vanities from the People's Republic of China*. See *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Countervailing Duty Order*, 85 FR 22134 (April 21, 2020).

Imports of wood mouldings and millwork products are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) numbers: 4409.10.4010, 4409.10.4090, 4409.10.4500, 4409.10.5000, 4409.22.4000, 4409.22.5000, 4409.29.4100, and 4409.29.5100. Imports of wood mouldings and millwork products may also enter under HTSUS numbers: 4409.10.6000, 4409.10.6500, 4409.22.6000, 4409.22.6500, 4409.29.6100, 4409.29.6600, 4418.20.4000, 4418.20.8030, 4418.20.8060, 4418.99.9095 and 4421.99.9780.

While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

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